

INTERNAL REVENUE SERVICE
District Director

Department of the Treasury

c/o McCaslin Industrial Park
2 Cupania Circle
Monterey Park, CA 91754
Attn:EOG-4

Date: Nov. 5, 1993

Person to Contact:

Telephone Number:

Response due:

Nov. 19, 1993

Dear Applicant:

We have reviewed your application for tax-exemption as an organization described in section 501(c)(3) of the Internal Revenue Code.

The information submitted discloses that you were formed as an association on [REDACTED].

The purpose for which your organization was formed are directed to engineering, licensing, maintenance, and operational issues relating to the [REDACTED] supplied equipment.

Your income is from membership fees and your expenses consist of those connected directly with your annual meeting. Your membership is open to all domestic and international utilities that own [REDACTED] supplied [REDACTED] equipment. You will meet once a year to discuss problems or experiences members have had with the equipment which [REDACTED] supplies. Your organization's program manager is the manager of customer support and technical services of [REDACTED]. Your organization publishes newsletters to inform members about its meetings and current scientific and technical development regarding [REDACTED] equipment.

Section 501(c)(3) of the Code provides for exemption from Federal income tax of organizations organized and operated exclusively for educational purposes.

Section 1.501(c)(3)-1(d)(1)(ii) of the Income Tax Regulations provides that an organization is not organized or operated exclusively for exempt purposes unless it serves a public rather than a private purpose. To meet this requirement, it is necessary for an organization to establish that it is not organized or operated for the benefit of private interests.

Rev. Rul. 74-116, 1974-1 C.B. 127, held that an organization whose membership is limited to organizations that own, rent, or use a

[REDACTED]

specific type of computer and whose activities are designed to keep members informed of current scientific and technical data of special interest to them as users of the computer is not exempt under section 501(c)(3) of the Code.

By making specialized information available to your members, you are operating for their private interests, the operation of which is prohibited by Regs. section 1.501(c)(3)-1(d)(1)(ii). As such you do not qualify for tax-exemption as an organization described in section 501(c)(3) of the Code.

If you are in agreement with this proposed determination, we request that you sign and return the enclosed agreement Form 6018. Please note the instruction for signing on the reverse side of this form.

If you are not in agreement, please explain and be advised that a formal adverse determination letter may be forthcoming in which you may appeal. The enclosed Publication 892 explains your appeal rights.

Should you have any questions, please contact me at the above telephone number. Please note the due date in which you must respond.

Thank you for your cooperation.

Sincerely,

[REDACTED]
Internal Revenue Agent

Enclosures

Form **6018**
(Rev. August 1982)

Department of the Treasury-Internal Revenue Service
Consent to Proposed Adverse Action
(All references are to the Internal Revenue Code)

Prepare in
Duplicate

Case Number

Date of Latest Determination Letter

Employer Identification Number

Date of Proposed Adverse Action Letter

Name and Address of Organization

I consent to the proposed adverse action relative to the above organization as shown by the box(es) checked below. I understand that if Section 7428, Declaratory Judgments Relating to Status and Classification of Organizations under Section 501(c)(3), etc. applies, I have the right to protest the proposed adverse action.

NATURE OF ADVERSE ACTION

- ☒ Denial of exemption
- ☐ Revocation of exemption, effective
- ☐ Modification of exempt status from section 501(c)() to 501(c)(), effective
- ☐ Classification as a private foundation (section 509(a)), effective
- ☐ Classification as a non-operating foundation (section 4942(j)(3)), effective
- ☐ Classification as an organization described in section 509(a)(), effective
- ☐ Classification as an organization described in section 170(b)(1)(A)(), effective

If you agree to the adverse action shown above, please sign and return this consent. You should keep a copy for your records.

If you sign this consent before you have exhausted your administrative appeal rights, you may lose your rights to a declaratory judgment under section 7428.

(Signature instructions are on the back of this form.)

Name of Organization

Signature and Title

Date

Signature and Title

Date